BALANCED BUDGET RECONCILIATION/Choice of Doctors under Medicare

SUBJECT: Balanced Budget Reconciliation Act of 1995 . . . S. 1357. Helms amendment No. 2965.

ACTION: AMENDMENT AGREED TO, 79-20

SYNOPSIS: As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

The Helms amendment would require a Medicare Choice provider that offered a Medicare Choice plan that limited benefits to items and services furnished only by its approved providers also to offer at the time of enrollment "point-of-service" coverage that would permit payment to be made under the plan for covered items and services when obtained out-of-network. The terms for the payment of any differential in cost for obtaining services outside of a network would not be dictated by the amendment. (Under the bill, beginning in 1997 all senior citizens will be eligible to enroll in any Medicare Choice plan operating within their geographic areas. Senior citizens not wishing to enroll in Medicare Choice plans automatically will continue receiving Medicare fee-for-service coverage. Fee-for-service coverage, Health Maintenance Organizations (HMOs), Preferred Provider Organizations, Point of Service plans, Medical Savings Accounts, association plans, union plans, and other forms of health care coverage that meet service requirements, State licensing requirements, assume full financial risk, and meet Federal solvency standards will be options that may be selected by senior citizens to provide Medicare coverage.)

Those favoring the amendment contended:

The Helms amendment has been offered to make sure that the right of senior citizens to choose their own doctor under Medicare will be preserved. Many senior citizens are likely going to join Health Maintenance Organizations (HMOs) and are going to find that they are delighted with the benefits given by HMOs, like coverage for such items as prescription drug coverage, eyeglasses, and hearing aids which are not currently available under Medicare, but some other senior citizens are likely going to be enticed to join

(See other side) NAYS (20) **YEAS (79)** NOT VOTING (0) **Democrats Democrats** Republican Republicans **Democrats** Republicans (39 or 74%) (40 or 87%) (14 or 26%) (6 or 13%) (0)(0)Abraham Inhofe Akaka Johnston Ashcroft Bingaman Brown Kassebaum Baucus Kennedy Bennett Bryan Burns Kempthorne Daschle Biden Kerrev Bond Campbell Kyl Boxer Chafee Dodd Kerry Cochran Lott Bradley Kohl Coats Lieberman Cohen Lugar Breaux Lautenberg Gorton Reid Coverdell McCain Bumpers Leahy Grams Craig McConnell Levin Byrd Gregg D'Amato Murkowski Hatfield Conrad Mikulski DeWine Nickles Moselev-Braun Dorgan Jeffords Dole Pressler Exon Moynihan Mack Domenici Roth Feingold Murray Simpson Faircloth Santorum Feinstein Nunn Thomas Shelby Frist Ford Pell Thompson Gramm Smith Glenn Prvor Grassley Snowe Graham Robb EXPLANATION OF ABSENCE: Hatch Specter Harkin Rockefeller Helms Stevens Heflin Sarbanes 1—Official Buisiness Hutchison Thurmond Hollings Simon 2—Necessarily Absent Warner Wellstone Inouve 3—Illness 4—Other SYMBOLS: AY—Announced Yea AN-Announced Nav PY-Paired Yea PN-Paired Nay

VOTE NO. 508 OCTOBER 26, 1995

those plans by their benefits and then be greatly disappointed when they cannot receive care from a doctor whom they have known for years and greatly trust. By requiring a built-in point of service feature, we can make sure that senior citizens will be able to get both the benefits of HMOs, if they wish, at the same time as they will be able to have freedom to choose their own doctors. The Congressional Budget Office (CBO) has testified that the point-of-service option would not increase the benefit costs to HMOs or to Medicare. Similarly, the actuarial firm of Milliman and Robertson concluded that depending on the terms of the plan, and a reasonable cost-sharing schedule, there should be no increase in costs for an HMO under the Helms amendment. The private sector is already rapidly turning toward this option. HMOs with point-of-service features are the fastest growing type of health insurance, and in fact as of 1993 61 percent of all HMOs had this option. The Helms amendment has received the endorsement of more than 100 patient advocacy groups. We trust our colleagues will give it their endorsement as well.

While favoring the amendment, some Senators expressed the following reservations:

Medicare will be gutted by this bill. It is fine to pretend that seniors will have these options, but without money we are only pretending.

No arguments were expressed in opposition to the amendment.